

SUBSTITUTE

Introduced
by:

Mayor Pedro E. Segarra

HEADING
AND
PURPOSE

AN ORDINANCE AMENDING CHAPTER 2A, ARTICLE II, SECTION 2A-25(a)-(f) OF THE HARTFORD MUNICIPAL CODE

COURT OF COMMON COUNCIL,
CITY OF HARTFORD

April 22, 2014

Be It Hereby Ordained by the Court of Common Council of the City of Hartford:

That Chapter 2A, Article II, Section 2A-25(a)-(f) of the Hartford Municipal Code is hereby amended as follows:

Sec. 2A-25. NBU-GG provisions.

- (a) The pension rights and benefits of NBU-GG employees enumerated in Chapter 2A, Article I shall include those rights and benefits enumerated below in this section.
- (b) *Definitions.* As used in this section, the following terms shall have the meanings ascribed thereto below.
 - (1) *"Final average pay"* for all NBU-GG employees shall equal the average gross earnings for the highest five (5) of the last ten (10) years' gross earnings, unless the employee had previously elected to have his or her average pay computed on the basis of the employee's highest two (2) of the last five (5) years of his or her gross earnings as provided in this subsection (b)(1) below.

Alternate final average pay election. Commencing July 1, 1988, any NBU-GG employee may elect to have his or her final average pay equal the average gross earnings for the highest two (2) of the last five (5) years of his or her gross earnings. Any NBU-GG employee who elects to have his or her final average pay computed on the basis of the employee's highest two (2) of the last five (5) years of his or her gross earnings shall make such election by filing a notice thereof with the City treasurer on or before November 1, 1988, or within thirty (30) days of his or her commencement of employment as a NBU-GG employee, whichever is later.

(2) *Year(s) of creditable service.*

- a. For purposes of calculating the amount of any retirement allowance that is based upon the provision of a specified percentage of final average pay for each year of creditable service, a Pre-2011 NBU-GG employee's year(s) of creditable service may include:
 - 1. Creditable actual service;
 - 2. Transferred service, to the extent the employee is otherwise entitled to have such service credited pursuant to the provisions of section 2A-8(a)(1);
 - 3. Sick exchange credit, to the extent the employee is otherwise required to make such exchange pursuant to the provisions of section 2A-8(a)(3);
 - 4. Prior military service, to the extent the employee is otherwise entitled to have such

service credited pursuant to the provisions of section 2A-8(a)(2) and provided that the employee has submitted written notice to the pension commission of his or her election to do so by January 1, 1985, or within one (1) year of the member's employment, whichever is later; and

5. Qualified non-City service, to the extent the employee is otherwise entitled to have such service credited pursuant to the provisions of section 2A-8(a)(4) and provided that the employee has submitted written notice to the pension commission of his or her election to do so by December 31, 1999, or within one (1) year of his or her employment, whichever is later.
6. Qualified Hartford Economic Development Commission service, to the extent the employee is otherwise entitled to have such service credited pursuant to the provisions of Section 2A-8(a)(5) and provided that the employee has submitted written notice to the Pension Commission of his or her election to do so by April 30, 2007, or within one (1) year of his employment, whichever is later.

b. For purposes of calculating the amount of any retirement allowance that is based upon the provision of a specified percentage of final average pay for each year of creditable service, a Post-2011 NBU-GG employee's year(s) of creditable service may include:

1. Creditable actual service;
2. Transferred service, to the extent the employee is otherwise entitled to have such service credited pursuant to the provisions of section 2A-8(a)(1);
3. Prior military service, to the extent the employee is otherwise entitled to have such service credited pursuant to the provisions of section 2A-8(a)(2) and provided that the employee has submitted written notice to the pension commission of his or her election to do so by January 1, 1985, or within one (1) year of the member's employment, whichever is later; and
4. Qualified non-City service, to the extent the employee is otherwise entitled to have such service credited pursuant to the provisions of section 2A-8(a)(4) and provided that the employee has submitted written notice to the pension commission of his or her election to do so by December 31, 1999, or within one (1) year of his or her employment, whichever is later.
5. Qualified Hartford Economic Development Commission service, to the extent the employee is otherwise entitled to have such service credited pursuant to the provisions of Section 2A-8(a)(5) and provided that the employee has submitted written notice to the Pension Commission of his or her election to do so by April 30, 2007, or within one (1) year of his employment, whichever is later.

(c) *Employee contributions.* **(1) Final average pay based upon the highest five (5) of the last ten (10) years of service.** NBU-GG employees whose final average pay is based upon the highest five (5) of the last ten (10) years of service shall contribute to the fund a total of four percent (4%) of the employee's earnings on which Social Security taxes are paid and seven percent (7%) on the balance of the employee's earnings. Effective the pay period beginning July 5, 2009 (pay date July 24, 2009), NBU-GG employees shall contribute to the fund a total of five percent (5%) of the employee's earnings on which Social Security taxes are paid and eight percent (8%) on the balance of the employee's earnings. Effective the first pay period in January 2014, NBU-GG employees who have not exercised the Alternate Final Average Pay election shall contribute to the fund a total of six and one-half percent (6½%) of the employee's earnings on which Social Security taxes are paid and nine and one-half percent (9½%) on the balance of the employee's earnings.

(2) Final average pay based upon the highest two (2) of the last five (5) years of service. NBU-GG employees whose final average pay is based upon the highest two (2) of the last five (5) years' gross earnings shall contribute to the fund five percent (5%) of the employees' earnings on which Social Security taxes are paid and eight percent (8%) on the balance of the employee's earnings. Effective the pay period beginning July 5, 2009 (pay date July 24, 2009), this classification of NBU-GG employees shall contribute to the fund a total of six percent (6%)

of the employee's earnings on which Social Security taxes are paid and nine percent (9%) on the balance of the employee's earnings. Effective the first pay period in January 2014, NBU-GG employees having exercised the Alternate Final Average Pay election shall contribute to the fund a total of seven and one-half percent (7½%) of the employee's earnings on which Social Security taxes are paid and ten and one-half percent (10½%) on the balance of the employee's earnings.

- (1) *Section 414(h)(2) plan participants.* NBU-GG employee contributions to the fund are picked up by the City pursuant to section 2A-6(b)(1), and each NBU-GG employee's earnings for each pay period are reduced by an amount equal to his or her contributions so picked up by the City pursuant to that section.
- (2) *Interest on contributions.* Effective July 1, 1980, the City will credit to a NBU-GG employee's contributions to the fund three percent (3%) interest on such contributions in the fund on June 30, 1979. Commencing July 1, 1981, and each July 1st thereafter, pension contributions and any interest credited as of the previous year's June 30th will be credited with three percent (3%) interest.
- (3) *Refund of contributions.* NBU-GG employees may have their contributions refunded in accordance with subsection 2A-6(b)(4).
- (d) *Vesting.* A NBU-GG employee's rights to and/or interests in any normal or early retirement allowance shall vest upon completion of five (5) years' continuous service, regardless of age. The survivor benefits herein provided with respect to any normal or early retirement shall attach to the vesting privilege, but shall be payable only at such time as the member becomes eligible, or, in the case of a deceased member, would have become eligible, for an allowance under the member's normal or early retirement provisions.

Any NBU-GG employee's rights to and/or interests in receiving any normal or early retirement allowance, and any surviving spouse's rights to and/or interests in receiving a survivor's allowance, from the fund shall be subject to and remain contingent upon the member's, and, as applicable, his or her qualified surviving spouse's, leaving the member's contributions in the fund and otherwise satisfying all of the eligibility requirements for any normal, early or survivor's allowance. Likewise, any normal or early retirement allowance or survivor's allowance that is or may become payable to any such member and/or his or her qualified surviving spouse, if any, shall be paid under and in accordance with the member's normal or early retirement, or survivor's, allowance provisions, as applicable.

- (e) *Normal retirement.* There shall be a normal retirement allowance for eligible NBU-GG employees.

(1) *Normal retirement eligibility.*

- a. Pre-2011 NBU-GG employees shall be eligible for a normal retirement allowance upon completing twenty (20) years of actual service, or upon attaining age sixty (60) and completing at least five (5) years of continuous service.

Alternate normal retirement eligibility. A Pre-2011 NBU-GG employee may elect to retire without reduction of benefits after fifteen (15) years of continuous service provided such employee elects to leave his or her contributions in the fund until the date on which he or she would have first become eligible for a normal retirement allowance, at which time he or she shall receive a retirement allowance calculated on the same basis described below for a normal retirement allowance.

- b. Post-2011 NBU-GG employees shall be eligible for a normal retirement allowance upon attaining age fifty-five (55) and completing twenty (20) years of actual service, or upon attaining age sixty-two (62) and completing at least five (5) years of continuous

service.

(2) *Normal retirement allowance.*

- a. The normal retirement allowance for Pre-2011 NBU-GG employees shall amount to two and one-half (2.5%) percent of final average pay for each whole year of creditable service to a maximum of eighty (80%) percent of final average pay.
- b. The normal retirement allowance for Post-2011 NBU-GG employees shall amount to one and three-quarters (1.75%) percent of final average pay for each whole year of creditable service to a maximum of eighty (80%) percent of final average pay.
- c. Employees who retire on or after June 1, 2014 shall be paid accrued vacation leave and any sick leave remaining after mandatory sick exchange in accordance with Sec. 2A-8(a)(3) of the Code, to which the employee may be entitled, as a lump sum payment. Any vacation time lump sum payment shall not be used to increase the employee's years of creditable service and any vacation and/or sick time lump sum payment shall not be included or utilized in any manner in determining or calculating the employee's final average pay period, final average pay, and retirement allowance. The effective date of retirement shall be the day immediately following the employee's last day of work. This Paragraph shall applied prospectively and shall not apply to any employee on vacation run-out on the effective date of the ordinance.

(f) *Early retirement.* There shall be an early retirement allowance for eligible NBU-GG employees.

- (1) *Early retirement eligibility.* NBU-GG employees shall be eligible for an early retirement allowance upon attaining age fifty-five (55) and completing at least five (5) years of continuous service.

(2) *Early retirement allowance.*

- a. The early retirement allowance for Pre-2011 NBU-GG employees shall be based on the normal retirement allowance formula but reduced by four (4%) percent for each whole year the employee retires short of age sixty (60).
- b. The early retirement allowance for Post-2011 NBU-GG employees shall be based on the normal retirement allowance formula but reduced by four (4%) percent for each whole year the employee retires short of age sixty-two (62).
- c. Employees who retire on or after the June 1, 2014 will be paid accrued vacation leave and any sick leave remaining after mandatory sick exchange in accordance with Sec. 2A-8(a)(3) of the Code, to which the employee may be entitled, as a lump sum payment. Any vacation time lump sum payment shall not be used to increase the employee's years of creditable service and any vacation and/or sick time lump sum payment shall not be included or utilized in any manner in determining or calculating the employee's final average pay period, final average pay, and retirement allowance. The effective date of retirement shall be the day immediately following the employee's last day of work. This Paragraph shall applied prospectively and shall not apply to any employee on vacation run-out on the effective date of the ordinance.

This ordinance shall take effect upon the adoption by the Court of Common Council.